

Organization for Competitive Markets

P.O. Box 6486
Lincoln, NE 68506

Tel: 402.792.0041
Fax: 786.549.0277

web site: www.competitivemarkets.com

March 31, 2003

Chief, Standardization Branch
Livestock and Seed Program
Agricultural Marketing Service
USDA Stop 0254
Room 2603-S
1400 Independence Avenue, S.W.
Washington, D.C. 20250-0254
marketingclaim@usda.gov

Re: Comments on Proposed Meat Marketing Labeling Claims and Standards
Docket Number LS-02-02

Dear Sir or Madam:

This comment responds to the December 20, 2002 notice published by the Livestock and Seed Program for U.S. Standards for Livestock and Meat Marketing claims, Docket Number LS-02-02.

The Organization for Competitive Markets is a multidisciplinary, nonprofit membership organization that works to increase competition in the agricultural markets. We engage in research, education and advocacy on behalf of agricultural producers of all commodities. Our members consist of farmers, ranchers, policy makers, academics, and agricultural businessmen. We are national in our membership and our activities.

The fundamental point made in these comments is that the future profitability of independent farmers and ranchers weighs heavily with their ability to differentiate their products allowing consumers to make informed decisions. We applaud you for approaching the issue that increasingly, livestock and meat producers are using production and/or processing claims to distinguish their products in the marketplace. At the same time we would like to insure that the newly established requirements are based on the needs of all participants of the market place including not only the USDA, the retailer, processor and commodity producer but also the independent family farm and entrepreneurial agriculture producer who relies to a greater extent than any other on accurate and discernible differentiation of products for their livelihood.

Many producers are engaging in entrepreneurial agriculture for the purpose of being paid a reasonable return for their labor and investment. This entrepreneurial agriculture is more than value added agriculture or value added processing, it is value captured agriculture and community agriculture. Community agriculture where the emphasis is on capturing profits in local communities and gaining effectiveness through a multiplier effect as those profits reverberate throughout their community.

The purpose of product differentiation for family farmer entrepreneurial agriculturists is to provide a countervailing power to the tremendous market power of those in traditional food production and marketing industries. The definitions and terminology mean huge differences in values captured. For instance the claim on “Grass Fed. –Grass, green or range pasture, or forage shall be 80% or more of the primary energy source throughout the animal’s life cycle.” This claim as compared to one where forage shall be 95% or more of the primary energy source throughout the animal’s life cycle and a limited starch content supplement is vastly different in terms of implications for many small producers profitability just by consideration of the number of producers that can or will meet the standard.

The Organization for Competitive Markets would like to see this set of standards allow producers to raise the bar for standards and thus quality and values that potentially may be captured from the marketplace. We ask that the Livestock and Seed Program develop a more interactive process for gaining input from producers about their production and marketing practices and methods. This would allow producers to provide input on how they produce, why it is important and why from their experience it benefits them in marketing their products and ultimately benefits consumers.

In summary we believe it is crucial to appropriately identify the terms and definitions as well as the levels or percentage of compliance within those terms and definitions in order to provide producers the ability to develop product identity and loyalty with consumers. This extra effort to correctly develop standards will insure that the resulting labels ensure consumer confidence in their nutrition and food choices.

We would suggest a renewed effort to bring producers into the process, and to also incorporate recent research by experts in entrepreneurial value captured agriculture to address concerns with accurate labeling from both entrepreneurial producers and consumers perspectives.

Thank you for the opportunity to comment.

Very truly yours,

Thomas F. Stokes

Thomas F. “Fred” Stokes
President